

ABC WORLD NEWS TONIGHT

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ITALY/MIDEAST>JENNINGS: From Italy tonight, the story of a plan to sell >ARMS DEALS>arms in the Middle East. That is not an unusual pastime, but in this case, an Italian judge says the plan was to see atomic bombs. ABC's Mike McCourt has the details from Rome.

MCCOURT: Italian Judge Carlos \*Parlermo claims to have uncovered a series of complex arms deals, including the proposed sale of nuclear weapons allegedly to Syria and the delivery of enriched plutonium to Iraq. ABC News has learned that Judge Parlermo has charged a prominent Italian nuclear engineer with trying to sell three atomic bombs two years ago for \$924 million. Documents seized in the investigation describe in detail the weapons and the financial arrangement, including an advance payment of \$800 million by a Saudi prince. One of the arms merchants now charged by Judge Parlermo talked about the deal to ABC News on condition of anonymity. UNIDENTIFIED MAN: The offer had to be possibly and exclusively, I would say, put forward to the Arab countries, and this was done.

MCCOURT: The deal was suppose to work this way. The three atomic bombs would be constructed in secret, probably somewhere in Europe, and delivered to an Arab customer, preferably Syria. According to a Telex discovered by Judge Parlermo, a Saudi prince named \*Alni El-Faisal reportedly paid an \$800 million down payment for what were described as the 'three toys.' In Rome, the weapons dealer involved in the scheme said it was a hoax, inspired by American intelligence. He says there were no bombs, but the U.S. wanted to see if Syria would rise to the bait and, also, to see how Israel would react. In the end, the deal fell through as soon as Israeli intelligence got wind of it. UNIDENTIFIED MAN: I was very close to the American government. I worked shoulder to shoulder with them.

MCCOURT: These letters from the American Embassy in Rome confirmed that members of the arms group did know several important U.S. officials, but there is no confirmation of intelligence contacts. In Washington, officials have told ABC News there was no American involvement in the hoax. On the contrary, they claim it was perpetrated against possible Arab buyers by the arms merchants themselves. It is possible that these accusations and others concerning the weapons network in Italy may never come to trial, because a key organizer of the operation died last year in jail. But the Italian investigation raises serious questions about the sophistication and intentions of the arms smuggling network throughout the world. Mike McCourt, ABC News in Rome.